

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	)	Criminal No. 15-168
	)	
v.	)	
	)	[18 U.S.C. §§ 2, 2261A(2), 1343,
	)	1028A(a)(1), and 1001(a)(3)]
FREDERICK H. BANKS	)	

SUPERSEDING INDICTMENT

COUNT ONE

The grand jury charges:

1. In and around June 2015, in the Western District of Pennsylvania and elsewhere, the defendant, FREDERICK H. BANKS, with intent to harass or cause substantial emotional distress to a person in another State, used an interactive computer service and a facility of interstate commerce to engage in a course of conduct that caused substantial emotional distress to that person; to wit, defendant FREDERICK H. BANKS, who resided in Pennsylvania, sent harassing and threatening communications in the form of telephone calls to an individual, T.P., who resided in Florida, and a posting on Craigslist and thereby caused T.P. substantial emotional distress.

In violation of Title 18, United States Code, Sections 2261A(2) and 2.

**FILED**

JAN 12 2016

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WEST. DIST. OF PENNSYLVANIA

COUNTS TWO THROUGH FIVE

The grand jury further charges:

INTRODUCTION

2. At all times material to Counts Two through Five, GCG owned and operated FOREX.com. FOREX.com claimed to be one of the largest and best-known brands in the retail foreign exchange (forex) industry. FOREX.com held itself out to be a global provider of online trading services. FOREX.com provided online advanced trading tools, 24-hour customer support, and secure online trading capabilities. GCG and its affiliates were regulated by the Commodity Futures Trading Commission (CFTC), the National Futures Association (NFA) and the Securities and Exchange Commission (SEC) in the United States. GCG was located at 135 US Highway 202/206, Suite 11, Bedminster, New Jersey 07921.

3. From on or about August 19, 2013, and continuing thereafter to on or about September 7, 2013, in the Western District of Pennsylvania and elsewhere, the defendant, FREDERICK H. BANKS, devised and intended to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations and promises, as set out in paragraphs 5 through 20, below, well knowing at the time that the pretenses, representation and promises were false and fraudulent when made.

4. It was part of the scheme and artifice to defraud that:

FOREX.com Account #XXXX8180

5. On or about August 19, 2013, the defendant, FREDERICK H. BANKS, accessed, via the Internet, the FOREX.com website to apply for an Individual forex trading account. The defendant, FREDERICK H. BANKS, electronically submitted the following personal information as part of the online account application process:

- a. Home address: 52 South 8th Street, Pittsburgh, PA  
15203
- b. Home phone number: 412-515-9670
- c. Date of Birth: 1967
- d. Social Security Number: XXX-XX-6411
- e. Email Address: fredbanks123@ymail.com
- f. Employer Name: Hexagon Records
- g. Employer Address: PO Box 42303, Pittsburgh, PA  
15203
- h. Annual Income: Over \$500,000
- i. Net Worth: Over \$5,000,000
- j. Trading Experience: Over 3 years Stocks/Equities

6. The defendant, FREDERICK H. BANKS, successfully completed the online account opening process with FOREX.com, opening account number XXXX8180. Subsequently, between August 19 and 20,

2013, he initiated four (4) electronic Automated Clearing House (ACH) deposits totaling \$9,000. The ACH deposits were transferred into account XXXX8180 from a First Niagara Bank account, account number ending in 0906.

7. On or about August 20 and 21, 2013, CGC received chargebacks for the four (4) ACH deposits from the First Niagara Bank account. The reason provided with the chargebacks indicated that the First Niagara Bank account had been frozen by the bank.

8. It was further part of the scheme and artifice to defraud that:

**FOREX.com Account #XXXX2590**

9. On or about August 22, 2013, the defendant, FREDERICK H. BANKS, used the name Freddie Banks to access, via the Internet, the FOREX.com website to apply for an Individual forex trading account. The defendant, FREDERICK H. BANKS, electronically submitted the following personal information as part of the online account application process:

- a. Home address: 52 South 8th Street, Pittsburgh, PA  
15203
- b. Home phone number: 412-481-6564
- c. Date of Birth: 1967
- d. Social Security Number: XXX-XX-0573

- e. Email Address: hexandthecity@ymail.com
- f. Employer Name: Holcomb
- g. Employer Address: 1739 East Carson Street,  
Pittsburgh, PA 15203
- h. Annual Income: Over \$500,000
- i. Net Worth: Over \$5,000,000
- j. Trading Experience: Over 3 years Stocks/Equities
- 10. The defendant, FREDERICK H. BANKS, successfully

completed the online account opening process with FOREX.com, opening account number XXXX2590. Subsequently, between August 22 and 23, 2013, the defendant, FREDERICK H. BANKS initiated seventy (70) electronic Automated Clearing House (ACH) deposits totaling \$315,000. The ACH deposits were transferred into account XXXX2590 from the same First Niagara Bank account used for FOREX.com account number XXXX8180, opened in the name of the defendant, FREDERICK H. BANKS, account number ending in 0906.

11. Between August 22 and 23, 2013, simultaneous to making the seventy (70) ACH deposits into the FOREX.com account XXXX2590, the defendant, FREDERICK H. BANKS, initiated and attempted to withdraw \$264,400 from the account via thirteen (13) wires and two (2) checks from the newly opened account. The wires were to be sent to two (2) separate First Niagara Bank accounts, one ending in

0906 and the other ending in 8507. In addition, one of the wires was sent to an American Express account number ending in 3203.

12. On or about August 23, 2013, the defendant, FREDERICK H. BANKS, provided GCG with a First Niagara Bank online account screen-shot for the account ending in 0906. The purpose of providing the banking information was to satisfy GCG's request for proof of funds in the account in order to lift the freeze on the account. The screen-shot provided showed a current balance of \$2,100,621.08 with an available balance of \$2,062,321.51 as of August 23, 2013. On or about August 28, 2013, GCG received chargebacks for all the seventy (70) ACH deposits initiated by Freddie Banks from the First Niagara Bank account ending in 0906. The reason provided with the chargebacks indicated the First Niagara Bank account had been frozen.

13. It was further part of the scheme and artifice to defraud that:

**FOREX.com Account #XXXX6321**

14. On or about August 30, 2013, the defendant, FREDERICK H. BANKS, again accessed, via the Internet, the FOREX.com website to apply for an Individual forex trading account. The defendant, FREDERICK H. BANKS, electronically submitted the following personal information as part of the online account application process:

- a. Home address: 52 South 8th Street, Pittsburgh, PA  
15203
- b. Home phone number: 412-567-8097
- c. Mobile phone number: 412-515-9670
- d. Date of Birth: 1967
- e. Social Security Number: XXX-XX-6411
- f. Email Address: Fredrikbanks777@gmail.com
- g. Employer Name: Hexagon Records
- h. Employer Address: PO Box 42303, Pittsburgh, PA  
15203
- i. Annual Income: Over \$500,000
- j. Net Worth: Over \$5,000,000
- k. Trading Experience: Over 3 years Stocks/Equities

15. The defendant, FREDERICK H. BANKS, successfully completed the online account opening process with FOREX.com, opening account number XXXX6321.

16. It was further part of the scheme and artifice to defraud that:

**FOREX.com Account #XXXX5261**

17. On or about September 7, 2013, the defendant, FREDERICK H. BANKS, again accessed, via the Internet, the FOREX.com website to apply for a corporate forex trading account using the name of an individual known to the grand jury as A.C. The defendant,

FREDERICK H. BANKS, electronically submitted the following personal information as part of the online account application process:

- a. Business Address: 1739 East Carson St, Pittsburgh,  
PA 15203
- b. Business and Home phone number: 412-709-5443
- c. Date of Birth: 1971
- d. Social Security Number: XXX-XX-5671
- e. Email Address: hllcfactor@yahoo.com
- f. Employer Name: HLLC
- g. Annual Income: Over \$36,000,000
- h. Net Worth: Over \$98,000,000
- i. Number of Employees: 26-100
- j. Tax ID: XX-XXX7293

18. The defendant, FREDERICK H. BANKS, successfully completed the online account opening process with FOREX.com, opening account number XXXX5261 in the name of A.C. (A.C.'s actual identifying information was not used).

19. The defendant, FREDERICK H. BANKS, claiming to be A.C., provided a Eureka Bank account bank statement to support the FOREX.com online account application.

20. The Eureka Bank statement, provided by the defendant, FREDERICK H. BANKS, to GCG detailed an account styled in the name



of Hexagon, LLC, located at 1739 East Carson Street, Suite 353, Pittsburgh, PA 15203, account number XX-XX-X2352, had an August 30, 2013 statement ending balance of \$664,997.83.

THE WIRE COMMUNICATIONS

21. On or about the dates listed below, in the Western District of Pennsylvania and elsewhere, the defendant, FREDERICK H. BANKS, for purpose of executing the aforesaid scheme and artifice to defraud, and in attempting to do so, did transmit in interstate commerce, by means of a wire communication, certain sounds, signals and writings, namely the email communications listed below, each such use of a wire communication being a separate count of this Superseding Indictment incorporating the scheme and artifice to defraud, as if set forth in full.

COUNT	DATE (ON OR ABOUT)	EMAIL SENDER	EMAIL RECIPIENT	WIRE COMMUNICATION
2	8/19/2013	Frederick H. Banks	<u>Forex.com</u>	Application for an individual forex trading account
3	8/22/2013	Frederick H. Banks	<u>Forex.com</u>	Application for an individual forex trading account
4	8/30/2013	Frederick H. Banks	<u>Forex.com</u>	Application for an individual forex trading account
5	9/07/2013	Frederick H. Banks	<u>Forex.com</u>	Application for a corporate forex trading account

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT SIX

The grand jury further charges:

22. On or about September 7, 2013, in the Western District of Pennsylvania, the defendant, FREDERICK H. BANKS, during and in relation to the felony violation of 18 U.S.C. § 1343, as set forth in Count Five, did knowingly transfer, possess, use, without lawful authority, a means of identification of another person, namely an individual known to the grand jury as A.C.

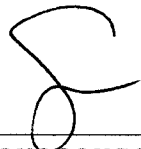
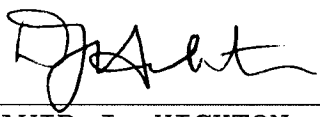
In violation of Title 18, United States Code, Section 1028A(a)(1).

COUNT SEVEN

The grand jury further charges:

On or about December 4, 2015, in the Western District of Pennsylvania, the defendant, FREDERICK H. BANKS, in a matter within the jurisdiction of the judicial branch of the Government of the United States, did knowingly and willfully make and use a false writing and document knowing the same to contain a materially false, fictitious and fraudulent statement and entry, that is, the defendant, FREDERICK H. BANKS, stated and represented in a Petition under Title 28, United States Code, Section 2241, for Writ of Habeas Corpus by a Person in State Custody, filed at C.A. 15-1583, that he was the Legal Assistant to the alleged petitioner, an individual known to the grand jury as L.M.S., that L.M.S. signed the Petition, and that the grounds for relief in the petition, including the alleged use by the Central Intelligence Agency of "Telepathic Behavior Modification Program," were authorized by L.M.S., whereas in truth and fact, as the defendant, FREDERICK H. BANKS, well knew, he was not the legal assistant to L.M.S., that he/she did not sign the petition, and that he/she did not authorize any of the grounds for relief, including but not limited to the CIA "Telepathic Behavior Modification Program."

In violation of Title 18, United States Code, Section  
1001(a)(3).

  
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Foreperson  
\_\_\_\_\_  
DAVID J. HICKTON  
United States Attorney  
PA ID No. 34524